

**GENERAL  
FUND**

## GENERAL FUND RESOURCES SUMMARY

**MISSION STATEMENT:** To provide funds to meet the on-going needs of General Fund services.

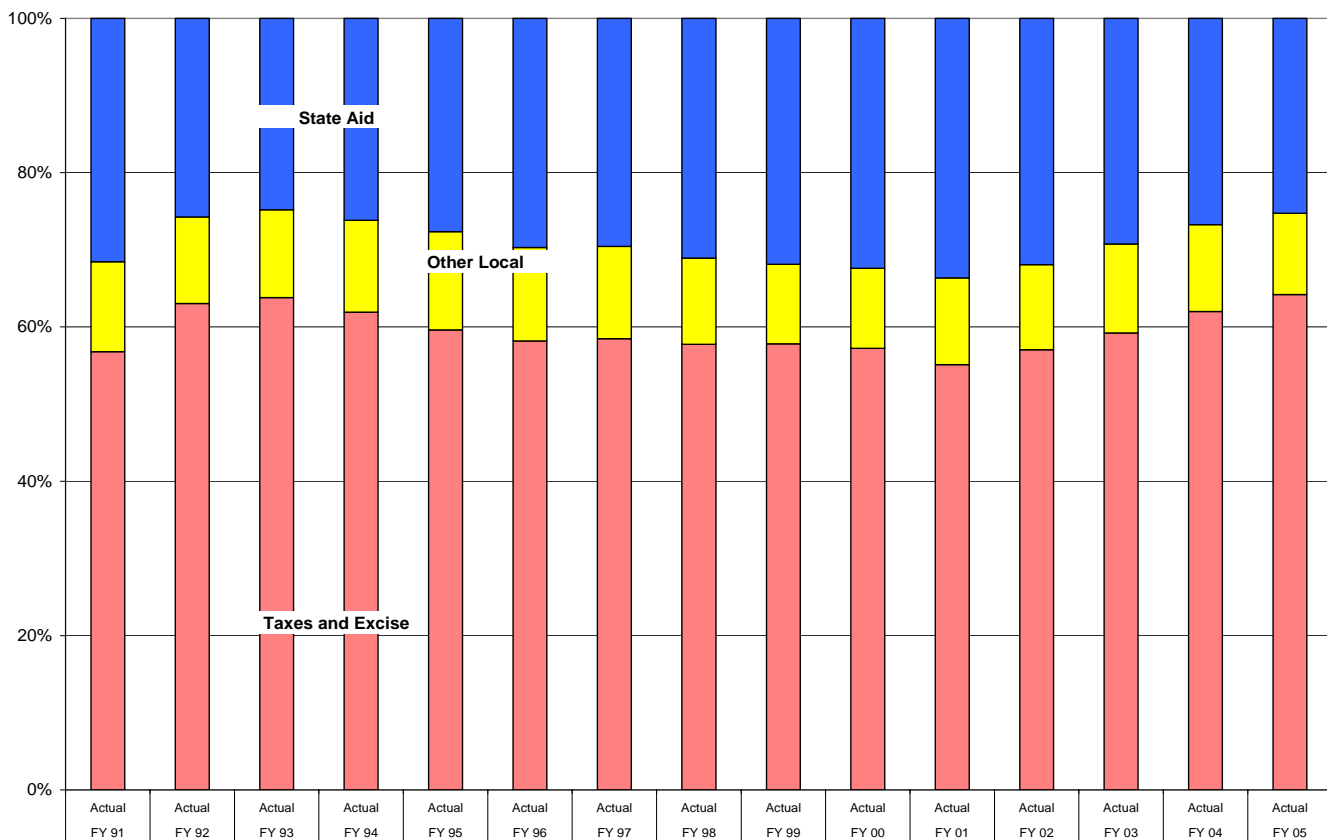
### CONTINUING OBJECTIVES:

To increase the tax levy within constraints of Proposition 2½.  
 To monitor state aid and local aid distributions and formulas.  
 To monitor availability of Federal and State Grants.  
 To develop fees, charges and other local sources of funding wherever possible.

### SERVICE LEVELS:

	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>
<u>As % of Total Resources</u>					
Taxes	57	58	58	57	60
Other Local Source Revenues	7	8	7	7	7
State Revenues	35	33	29	26	25
Other Financial Sources	1	1	6	10	8

General Fund Revenues by Source FY 91 – FY 05



## GENERAL FUND RESOURCES SUMMARY

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06-07	Percent Change
Taxes and Excise	\$	28,252,863	30,994,337	31,103,674	32,984,656	34,564,844	1,580,188	4.8%
Other Local Source Revenues	\$	3,322,270	3,516,961	3,640,075	3,379,200	3,856,625	477,425	14.1%
State Revenues	\$	13,042,711	12,881,115	12,861,882	14,863,429	15,640,402	776,973	5.2%
Other Financial Sources	\$	5,158,173	4,935,311	4,505,226	4,404,867	8,204,889	3,800,022	86.3%
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>49,776,017</b>	<b>52,327,724</b>	<b>52,110,857</b>	<b>55,632,152</b>	<b>62,266,760</b>	<b>6,634,608</b>	<b>11.9%</b>

### MAJOR COMPONENTS:

Revenues include all local sources of taxation and fees that are constitutionally allowed and assessed on an annual basis. Other Financing Sources include funds available for expenditure by the General Fund that are drawn from reserves or represent assessments to other operating funds of the Town. These may be funds available only once, e.g., when an asset is sold, or they may be available each year that the services are provided to other funds.

### SIGNIFICANT BUDGET CHANGES:

See following pages.

## RESOURCES

## TAXATION

**MISSION STATEMENT:** To provide tax support for General Fund services.

### CONTINUING OBJECTIVES:

To manage the tax levy within constraints of Proposition 2½.

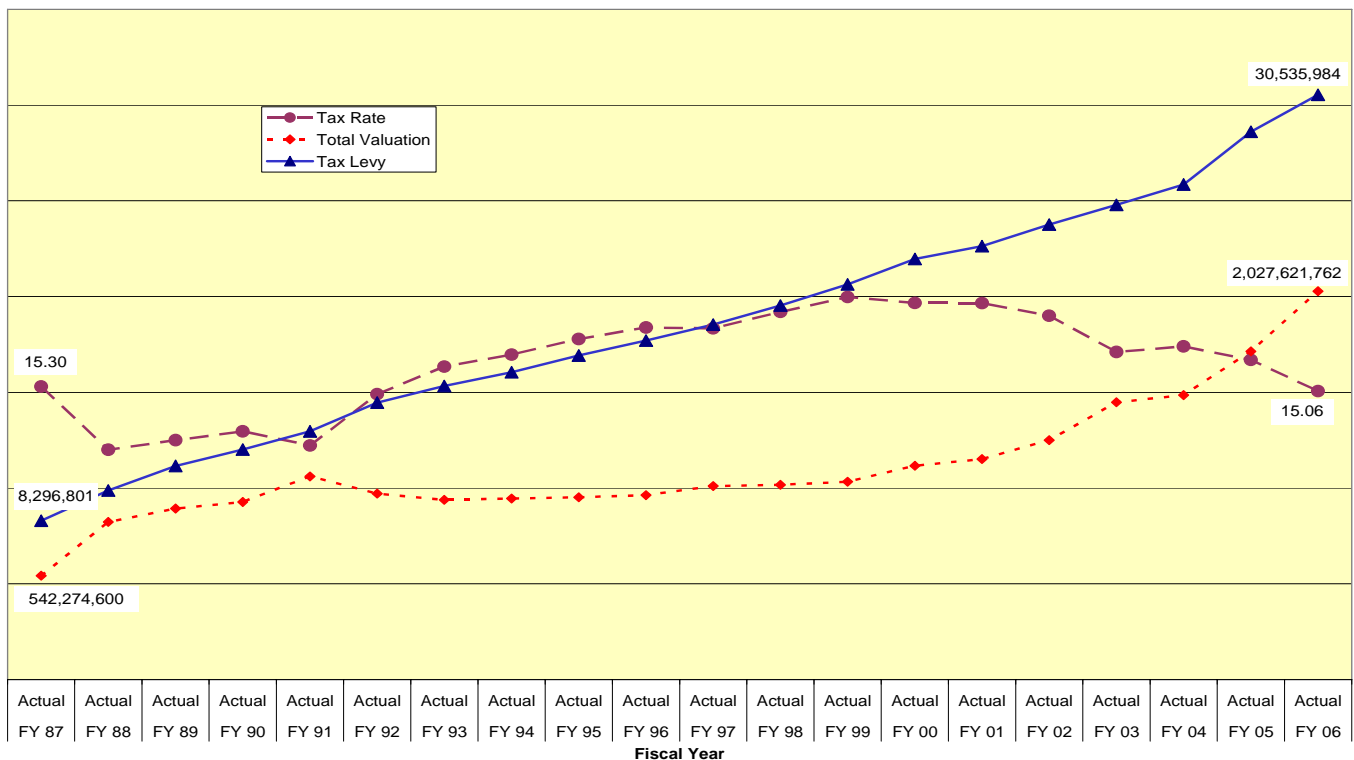
### FY 07 OBJECTIVES:

To consider the need for and type of Proposition 2 ½ override necessary to balance the FY 07 Budget.

### SERVICE LEVELS:

	<u>FY 01 Actual</u>	<u>FY 02 Actual</u>	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>
<u>Taxes as % of Total Resources</u>					
Real and Personal Property Taxes	51	53	53	52	55
Other Taxes	5	6	5	5	5

Comparison of Changes in Tax Rates, Property Valuations and Tax Levies FY 87- FY 06



Property tax assessments are based on property values. In Amherst, the property value base has increased 274% since FY 87. Tax levy increases are limited each year by Proposition 2½, state legislation enacted in FY 81. The tax levy, representing the total taxes assessed each year on all properties, has increased 268% since FY 87. The tax rate, applied per \$1,000 of assessed value, has declined 1.6% in the same period.

## RESOURCES

## TAXATION

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06-07	Percent Change
Real & Personal								
Property Taxes	\$	25,676,547	28,602,603	28,602,603	30,535,984	32,158,386	1,622,402	5.3%
Payments In Lieu of Taxes	\$	994,497	916,734	943,838	935,470	931,458	(4,012)	-0.4%
Excise Taxes	\$	1,581,819	1,475,000	1,557,233	1,513,202	1,475,000	(38,202)	-2.5%
<b>TOTAL TAXES &amp; EXCISE</b>	<b>\$</b>	<b>28,252,863</b>	<b>30,994,337</b>	<b>31,103,674</b>	<b>32,984,656</b>	<b>34,564,844</b>	<b>1,580,188</b>	<b>4.8%</b>

**MAJOR COMPONENTS:**

Real and Personal Property Taxes are the Town's largest source of revenue. Payments in lieu of taxes include taxes assessed to municipal enterprise funds (approximately 90% of total payments). Excise taxes include motor vehicle, farm animal and boat excise.

**SIGNIFICANT BUDGET CHANGES:**

## CALCULATION OF TAX LEVY:

	FY 06 Actual Tax Levy	FY 07 Estimated Tax Levy
Prior Year Levy Limit	\$ 28,639,551	\$ 30,318,214
2 ½ % Allowable Increase	715,989	757,955
New Growth	962,674	700,000
General Override	0	0
Levy Limit	30,318,214	31,776,169
Regional School Debt Override	220,641	382,217
Maximum Allowable Tax Levy	30,538,855	32,158,386
Actual Tax Levy	30,535,984	32,158,386
Excess Levy Capacity	2,871	0

This budget assumes the Town will increase the tax levy to the Proposition 2 ½ levy limit in FY 07.

**RESOURCES****OTHER LOCAL SOURCE REVENUES****MISSION STATEMENT:**

To provide revenues to support General Fund services.

**FY 07 OBJECTIVES:**

To review current fee levels in relation to FY 07 costs of services.

**SERVICE LEVELS:**

	<b><u>FY 01</u></b> <b><u>Actual</u></b>	<b><u>FY 02</u></b> <b><u>Actual</u></b>	<b><u>FY 03</u></b> <b><u>Actual</u></b>	<b><u>FY 04</u></b> <b><u>Actual</u></b>	<b><u>FY 05</u></b> <b><u>Actual</u></b>
Revenues as % of Local Source Revenues					
Charges for Services	23	23	21	22	19
Departmental Revenue	14	13	14	19	19
Rentals	1	2	1	1	1
Licenses and Permits	20	20	24	22	25
Special Assessments	20	21	19	18	16
Fines and Forfeits	2	4	4	4	4
Penalties and Interest	4	4	6	5	6
Investment Income	13	14	9	6	6
Miscellaneous	2	1	2	3	3

## RESOURCES

## OTHER LOCAL SOURCE REVENUES

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06-07	Percent Change
Charges for Services	\$	735,590	685,253	685,253	638,371	752,359	113,988	17.9%
Departmental Revenue	\$	619,438	855,541	703,234	703,234	911,234	208,000	29.6%
Rentals	\$	39,849	40,000	47,017	40,000	40,000	0	0.0%
Licenses and Permits	\$	743,422	704,759	919,639	751,510	815,510	64,000	8.5%
Special Assessments	\$	592,149	633,831	596,669	592,276	621,713	29,437	5.0%
Fines and Forfeits	\$	143,973	139,000	158,188	139,000	150,000	11,000	7.9%
Penalties and Interest	\$	156,612	152,500	213,031	152,500	152,500	0	0.0%
Investment Income	\$	190,541	190,000	222,019	210,000	275,000	65,000	31.0%
Miscellaneous	\$	100,695	116,077	95,024	152,309	152,309	0	0.0%
<b>TOTAL OTHER LOCAL SOURCE REVENUES</b>	<b>\$</b>	<b>3,322,270</b>	<b>3,516,961</b>	<b>3,640,075</b>	<b>3,379,200</b>	<b>3,870,625</b>	<b>491,425</b>	<b>14.5%</b>

### MAJOR COMPONENTS:

#### Charges for Services:

Sewer Fund	\$ 300,853
Water Fund	365,956
Transportation Fund	<u>85,550</u>
Total Charges for Services	\$ 752,359

#### Special Assessments:

UMASS PVTA Assessment	\$ 452,424
Five College PVTA Assessment	<u>169,289</u>
Total Special Revenue Funds	\$ 621,713

#### Departmental Revenue:

General Government	\$ 226,635
Public Safety	47,800
Public Works	6,750
Conservation, Planning, Inspections	76,700
Community Services	<u>553,349</u>
Total Departmental Revenues	\$ 911,234

#### Miscellaneous

Jones Library Gift	\$ 47,309
UMass Fire Reimbursement	80,000
RE Tax Supplemental	<u>25,000</u>
Total Miscellaneous	\$ 152,309

#### Licenses & Permits

General Government	\$ 149,910
Public Safety	42,000
Public Works	4,000
Inspection Services	503,500
Community Services	<u>52,100</u>
Total Licenses & Permits	\$ 801,510

### SIGNIFICANT BUDGET CHANGES:

Charges for Services increase by \$113,988 from Enterprise Fund reimbursements to the General Fund for services rendered. Departmental revenue contains a budgeted increase of \$208,000. This includes estimated FY 07 revenues of \$220,000 from the Cherry Hill Golf Course, reclassified from an Enterprise Fund as a Community Services department in the General Fund for FY 07. Licenses and permit increases include fire inspection permit fees (\$30,000) and EMS stipend increases to the 4 surrounding towns (\$20,000). Earnings on Investments are projected to increase by \$65,000 as interest rates have increased.

## RESOURCES

## STATE REVENUES

**MISSION STATEMENT:** To administer state revenues received for general purposes and purposes related to specific grants.

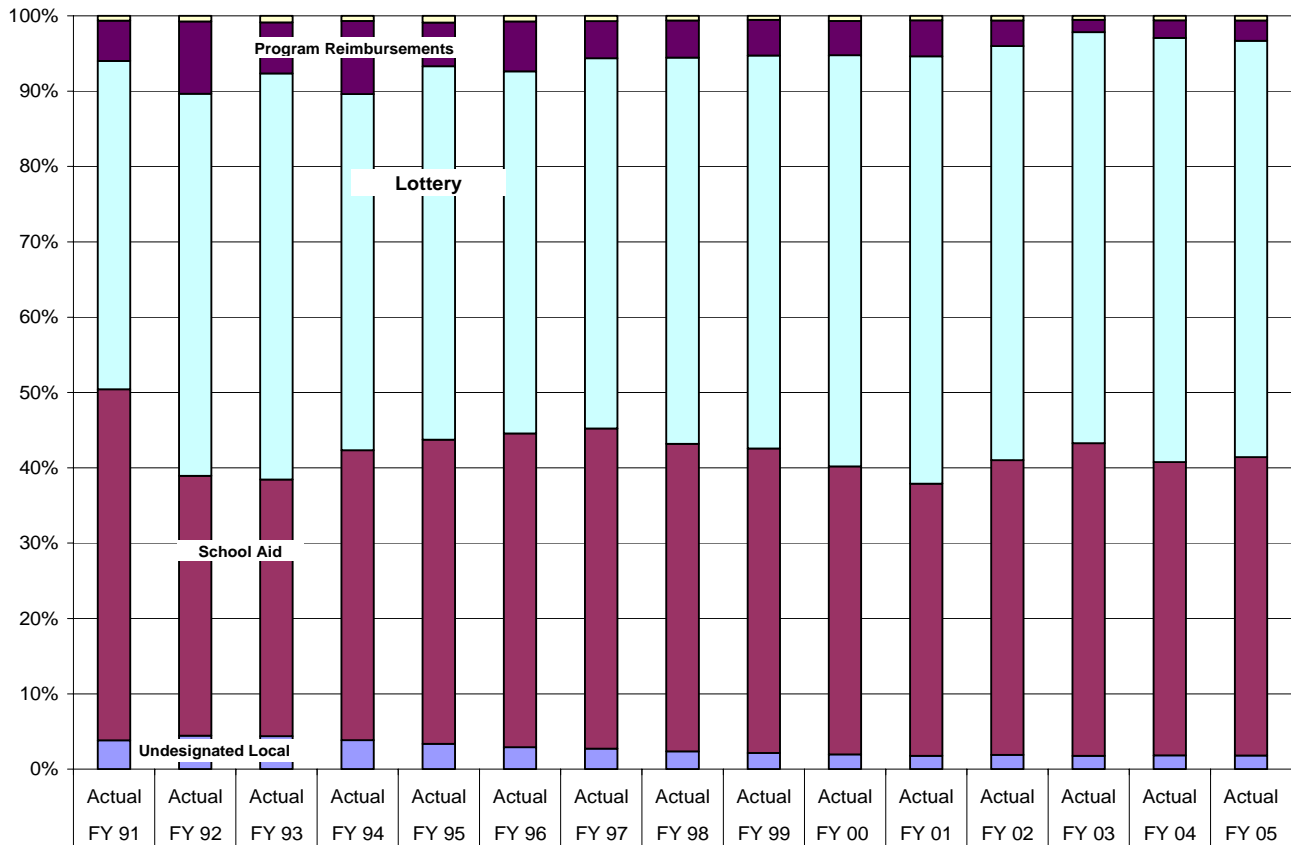
### CONTINUING OBJECTIVES:

To review and monitor Local Aid distributions, the availability of other State and Federal funds and the Local Aid and Education Reform formulas.

### SERVICE LEVELS:

	<u>FY 01 Actual</u>	<u>FY 02 Actual</u>	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>
State revenues as a % of Total Resources	35	33	29	26	25

State Revenues by Category FY 91 – FY 05





## RESOURCES

## STATE REVENUES

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06-07	Percent Change
Chapter 70	\$	4,763,773	4,931,612	4,931,612	5,572,787	5,800,000	227,213	4.1%
Lottery	\$	6,883,094	6,883,094	6,883,094	7,967,674	8,533,379	565,705	7.1%
Additional Assistance	\$	222,910	222,910	222,910	222,910	222,910	0	0.0%
Other Cherry	\$							
Sheet Revenues	\$	291,092	351,927	335,248	436,363	450,418	14,055	3.2%
Other State Revenue	\$	491,572	489,018	663,583	663,695	639,275	(24,420)	-3.7%
<b>TOTAL STATE &amp; FEDERAL</b>	<b>\$</b>	<b>12,652,441</b>	<b>12,878,561</b>	<b>13,036,447</b>	<b>14,863,429</b>	<b>15,645,982</b>	<b>782,553</b>	<b>5.3%</b>

### MAJOR COMPONENTS:

State Revenue – Cherry Sheet	
Lottery	\$ 8,533,379
Chapter 70 School Aid	5,800,000
Additional Assistance	222,910
Abatements	26,647
Veterans Benefits	58,000
Charter School Assessment	14,756
Charter Capital Facility Reimbursement	726
Police Career Incentive	173,770
State-Owned Land	176,519
Subtotal Cherry Sheet	\$ 15,006,707
Other State Revenue	
Public Libraries	\$ 81,133
School Lunch Program	7,562
State Election Reimbursement	5,580
Chapter 90	545,000
	\$ 639,275

### SIGNIFICANT BUDGET CHANGES:

Chapter 70 School Aid is estimated to increase by a total of \$227,213, or 4.1%. Prospective changes to the Chapter 70 distribution formula to be considered by the legislature in 2006 will impact this estimate. Lottery Aid is estimated per the funding schedule adopted by the legislature as part of the FY 06 state budget to phase out the diversion of lottery aid over the next 4 years. As state tax revenues continue to exceed estimates in the current year, there is speculation that the governor and/or the legislature may eliminate the diversion entirely in FY 07, which could result in a significantly greater increase in lottery aid than estimated. Veteran benefits are estimated to increase by \$14,000, reflecting an increased caseload, to fund the state's statutory 75% share of eligible veterans benefits claims for Amherst veterans. The Chapter 90 grant program supports street resurfacing and road equipment components of the Capital Plan.

## RESOURCES

## OTHER FINANCIAL SOURCES

**MISSION STATEMENT:** To make use of sources other than recurring revenues to finance government services and specific major capital projects.

### CONTINUING OBJECTIVES:

To transfer appropriate amounts from enterprise funds for services provided by General Fund departments.  
To manage debt financing in accordance with the Capital Plan.

### FY 07 OBJECTIVES:

To use lesser amounts of Free Cash and/or Stabilization Fund reserves to balance the FY 07 budget.

### SERVICE LEVELS:

	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>
% of Total Resources					
Borrowing Authorization	0	0	0	0	0
Special Revenue Funds	2	2	2	2	2
Stabilization from 10% Plan	0	0	0	0	0
Overlay Reserve Account	0	0	0	1	0
Available Funds	0	0	0	0	0
Surplus Funds:					
Free Cash	0	0	3	7	0
Stabilization	0	0	0	0	4
Other Interfund Transactions	0	0	0	0	0
Jones Inc	1	1	1	1	1

## RESOURCES

## OTHER FINANCING SOURCES

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06-07	Percent Change
OTHER FINANCING SOURCES								
Borrowing Authorization	\$	0	600,000	600,000	0	4,700,000	4,700,000	--
Special Revenue Funds	\$	1,203,375	1,371,500	1,369,000	1,546,890	1,664,045	117,155	7.6%
Stabilization Fund from 10% plan	\$	0	35,000	0	0	0	0	0.0%
Overlay Reserve Account	\$			0	0	0	0	0.0%
Available Funds	\$	0	417,585	0	594,632	334,999	(259,633)	-43.7%
Surplus Funds:								
Free Cash	\$	3,476,000	0	60,000	850,000	500,000	(350,000)	-41.2%
Stabilization Fund		0	2,035,000	2,000,000	850,000	500,000	(350,000)	-41.2%
Other Interfund Transactions	\$	0	0	0	57,500	0	(57,500)	-100.0%
Jones Inc	\$	478,798	476,226	476,226	505,845	505,845	0	0.0%
TOTAL OTHER FINANCING SOURCES	\$	5,158,173	4,935,311	4,505,226	4,404,867	8,204,889	3,800,022	86.3%

### MAJOR COMPONENTS:

#### Special Revenue Funds:

Ambulance \$1,664,045

#### Available Funds:

Community Preservation Act \$ 334,999

### SIGNIFICANT BUDGET CHANGES:

A \$4.7 million borrowing authorizations for Fire Station(s) are included in the preliminary Capital Plan. Ambulance receipts fund Fire Department operating and capital requests and portions of the Collector budget. Available funds include a projected \$334,999 in Community Preservation Act funds to support the Capital Plan. A total of \$1,000,000 is recommended from a combination of Free Cash/Stabilization Fund reserves to balance the FY 07 budget, a decrease of \$700,000 from FY 06, consistent with the Finance Committee's preliminary guidelines.

## GENERAL FUND EXPENDITURES SUMMARY

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Projected	FY 07 Recommended	Change FY 06 - 07	Percent Change
General Government	\$ 4,030,999	4,246,541	4,217,076	4,800,036	5,485,311	685,275	14.3%
Public Safety	\$ 7,150,214	7,486,861	7,471,265	7,833,593	8,283,290	449,697	5.7%
Public Works	\$ 1,668,639	1,773,798	1,853,909	1,677,088	1,806,044	128,956	7.7%
Planning, Conservation & Inspections	\$ 753,612	809,382	738,476	809,137	898,047	88,911	11.0%
Community Services	\$ 1,509,885	1,749,520	1,742,322	1,796,280	1,873,863	77,583	4.3%
<b>TOTAL APPROPRIATION</b>	<b>\$ 15,113,349</b>	<b>16,066,102</b>	<b>16,023,048</b>	<b>16,916,134</b>	<b>18,346,555</b>	<b>1,430,421</b>	<b>8.5%</b>

### SIGNIFICANT CHANGES:

The proposed budget increases by 8.5% and represents funding required to provide the same or similar level of services to the Town in FY 07. Unfunded recommendations are also described in departmental budget descriptions throughout this document. Significant increases include a 28.7% jump (\$501,520) in employee/retiree health insurance costs, 5 new police officers and 2 dispatchers needed to maintain "level services", and employee pay adjustments. Not counting the proposed new police officers and dispatchers and 5 firefighters funded by a federal grant and higher fees, the proposed General Fund budget increase is 6.6%.

PLEASE NOTE: Expenditures listed in the "FY 06 Projected" column throughout this document equal FY 06 departmental appropriations plus the estimated departmental share of the FY 06 COLA that was originally appropriated as part of "General Government". "FY 07 Recommended" budgets also include an estimated COLA. This allows for an apples to apples comparison of spending increases from FY 06 to FY 07. The FY 06 COLA funds will be transferred to departmental budgets via an article at the 2006 Annual Town Meeting.

**FY 07 General Fund Recommended Expenditures**

